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21 October 1958

MEMORANDUM FOR: All ORR Supervisory Personnel

SUBJECT: Training of ORR Professional Personnel

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1. The enclosed paper, entitled "Training for Economic Intelligence Production," by [REDACTED] Deputy Chief for Economic Research, ORR, is a clearly stated and very helpful exposition of the general policy thinking of the Office in regard to the training of its professional employees, with particular reference to the training desired for those engaged in economic intelligence research and production.

2. It is requested that each supervisor of professional employees within ORR study the enclosed paper so that he will be fully informed of the general objectives of training within ORR. Those supervisors responsible for professional activities other than economic research can easily place the policy considerations expressed in the enclosed paper within the framework of the field of activity in which they have a responsibility.

3. Each supervisor must recognize that he should stand ready to provide counsel and assistance in helping analysts to determine their priority training needs. In carrying out his responsibility of supervision, he should recommend training of analysts in his component with two purposes in mind: (a) to improve the over-all professional competence of the component for which he is responsible; and (b) to further the career opportunities of the individual analyst. At the same time, each analyst must recognize that he himself plays a key role in his own career development. The extent to which he utilizes opportunities for further training must rest essentially on his own initiative and his own desire to prepare himself for improved performance and for increased responsibility.

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4. The Office plans to continue its examination of training requirements and opportunities and, in collaboration with the Office of Training and the Office of Operations, will ascertain the availability of, or the possibility of arranging, specialized courses (such as orientation courses provided by industrial firms and by defense agencies concerned with advanced weapons systems) that will be responsive to the professional training requirements of ORR personnel in meeting our priority research objectives.

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OTTO E. GUTHE
Assistant Director
Research and Reports

Enclosure:


"Training for Economic
Intelligence Production"

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TRAINING FOR ECONOMIC INTELLIGENCE PRODUCTION

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Training for Economic Intelligence Production

THE PROBLEM

Training needs for professionals engaged in economic intelligence research are many and varied. Since academic training and experience in activities outside intelligence research rarely suffice to prepare individuals fully for effective work in this field, supplementary training is usually necessary after the recruit arrives on the job. Because such training needs cover a broad range of additional skills and knowledge, and because, on the other hand, the urgency of our mission makes it difficult to spare adequate time for training purposes, it is essential that such training as is made available be aimed directly at our most critical deficiencies. We must get the most value for time diverted from the job.

This paper endeavors to put our training requirements in perspective against the nature of our mission and to identify major areas in which training is needed.

GENERAL CONSIDERATIONS

Economic intelligence production is a complicated and demanding business. It involves dealing in an expert and meaningful way with a range of problems and developments as broad as the whole spectrum of human economic activity from the production of food, clothing, and shelter to the fabrication of the advanced electronic and atomic gadgetry associated with the most modern military weapons systems. It includes, additionally, the job of aggregating such specialized information into various shapes and forms which permit analysis, comparisons, and forward estimates of industries, of economic sectors, and of whole economies and even groups of economies.

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Moreover, economic intelligence is concerned with foreign countries, which use different languages, which hold different values, and which employ social, political, and economic systems different from our own. To compound the problem further, the governments of the Communist Bloc, which is the principal focus of our interest, characteristically maintain strict security controls on economic information about their countries. Although some of these controls have been relaxed in recent years, great gaps exist in our information about many critical sectors -- particularly the defense industries. Quite naturally, the need to bridge these gaps raises fresh problems and places a high premium on professional skill and ingenuity.

NEED FOR ADDITIONAL TRAINING

To carry out our varied and complex mission, we have assembled a staff of professional analysts drawn from many disciplines and backgrounds of experience. The average entrant on duty into the ERA today from outside the Agency has at least one and often several years of graduate training to his credit, and some in addition have had considerable professional work experience in their fields. But the special demands of intelligence research, as distinct from academic research, are such that additional systematic training for new analysts is usually necessary.

Nor should training be limited only to relatively new employees. Training for veteran analysts, as well as new employees, will often pay surprisingly big dividends, and the possibility of developing additional strengths and skills among the older hands deserves serious, and systematic, consideration.

Training is -- and should be -- closely associated with career development and promotion. Not that training is desirable merely for its own sake, or for the sake of the record, but when focused on demonstrated shortcomings and directly related to the mission at hand, training should result in improved analyst performance and hence in increased recognition for quality of service. Considered from the point of view of career development, supplementary training presents the analyst at any level with undeniable opportunities for further professional growth.

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AREAS WHERE TRAINING IS NEEDED

In a situation where our professional analysts are drawn from a variety of educational disciplines and backgrounds of experience, and where the range of subjects for specialized research is so broad as that set by our mission, a training program must necessarily be comprehensive, yet flexible. No standardized, rigid pattern can be universally applied to all professional personnel. Taking into account the various backgrounds of our analysts and the variety of specialized subjects with which we must deal, only "tailored," selective training on a case-by-case basis will serve to meet the need. The supplementary training needed by an analyst dealing with the Soviet iron and steel industry, for example, would doubtless differ in nature from that required by, say, an analyst involved in following Chinese Communist foreign trade.

And yet, though the range of responsibilities is wide and the needs varied, there are certain basic common denominators, fundamental concepts which ought to be commonly held if the organization is to be a unified whole, with an optimum level of internal communication and an effective common approach to the mission at hand. Similarly, there are certain tools of analysis, skills, or techniques which tend to be universally useful in any part of the general effort. The following paragraphs attempt to identify these common needs and to suggest measures which could be taken to deal with them.

Economics

In a group with an assigned responsibility for foreign economic intelligence production, it surely follows that those engaged in meeting this responsibility should have at least a foundation in the conceptual framework of the discipline of economics. In our estimation, such a foundation would be about the equivalent of college economics through the intermediate level of general economic theory. Additionally, since the nature of our job involves emphasis on the manipulation of quantitative data, we feel that an almost indispensable second aspect of this foundation should be the equivalent of a year's

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college level training in economic statistics. Certain elements of the economic research organization deal with more intricate problems of economic analysis than do others; where this is the case, we should, of course, expect substantially greater training than that indicated here. What has been indicated here as the suggested minimum is literally only that. Many of our professional have entered the organization with training in the social sciences other than economics, and many have been hired because we need their technical competencies. While our backgrounds are varied and our interests specialized, however, our economic research mission is the bond we share in common. Given the interlocking nature of our research products, and the undeniable relationship of one economic fact to all other economic facts in the study of a national economy, it is important that we share a common understanding of the nature of the relationship. There is a clear need for at least a minimum level of formal training in economics. Only thus can an organization of this sort realize adequate internal communication on common problems and achieve a maximum contribution from all our professionals regardless of specialized backgrounds and assignments.

Normally, such training where needed can be obtained at one of the several universities in the Washington metropolitan area on an after-duty-hours basis. Unquestionably, such training is more economically obtained in this way, both for the analyst and the organization, than would be the case if the Agency were to attempt to offer it internally. Occasionally, where more advanced or specialized study is indicated, it will be necessary to return professionals to school for full-time additional external training over a period of a year or even two years. These cases usually represent no serious difficulties of judgment, however, since they are primarily generated by felt priority needs in the work program and can be evaluated against those needs.

Area Training

Another sector in which training can do much to improve the quality of our intelligence production is the general field of area training. Systematic study by our analysts of the geography, the economies,

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the national histories and cultures, as well as the systems of government and politics of the countries in our area of responsibility, can do much to increase the insight with which we approach our problems and to improve the validity of our analyses. Considering the identity of the countries in our area of responsibility -- all of which lie beyond the Curtain, be it Iron or Bamboo, and in which travel and observation by our personnel is possible only on rare occasions or not at all -- it behooves us to make particular efforts to overcome the difficulty through the medium of training and the written word.

Similarly, the governments of the countries within our field of responsibility are bound together in an organized international movement -- International Communism. The teachings and writings of Marx, Lenin, and a number of latter-day prophets form a pattern of dogma which exercises a profound influence on political and economic decisions at all levels in these countries, on both the domestic and the international level. Familiarity with the organizational and philosophical aspects of International Communism can do much to increase the understanding we are able to bring to the analysis of the economies of the Communist Bloc.

How to achieve such increased familiarity with the nature of the countries we must deal with is a somewhat more difficult problem than in the case of formal training in an established discipline like economics. Only a few of the local universities offer area survey courses on the Communist Bloc countries, and these, according to report, are of variable quality. A handful of universities in the United States or abroad offer intensive full-time area courses of study of interest to us -- Columbia and Harvard are examples -- but these are relatively expensive in time and money and probably possible only for a few of our people charged with area responsibility as distinct from commodity research.

Recognizing the difficulties, the Office of Training has developed an increased list of such courses which are being offered internally. These are often of interest to us but at least to the present time cannot be said to offer a fully satisfactory answer to the problem.

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Another approach which could usefully supplement efforts at formal area training would be the development of selected bibliographies covering salient facets of the societies and lands of the Communist Bloc countries, which would be available for after-hours reference by analysts.

Languages

Ability to work in primary sources, in the languages of the Communist Bloc countries, is a universal need throughout the economic research organization. Regardless of an analyst's assignment, with the entire focus of our research effort bearing on these countries, reading command of at least one of these languages is an indispensable tool of analysis. Obviously, the more languages the better, but an essential minimum is the language of the country to which the analyst is principally assigned.

Since the languages of the Bloc countries are among those which have received the least widespread attention in American colleges and universities, we have relatively few candidates for employment who are qualified in this respect. We have long ago recognized this, however, and the Agency has, in its Office of Training language program, developed impressive language training facilities. New and more effective training techniques have been adopted, and in most cases it will be most economical in time and effort to employ the Agency's facilities in working to overcome our language deficiencies.

Security in the Atomic Age

The revolution in the rules of warfare which has attended the development in recent years of atomic weapons and even more recently of new weapons delivery systems has sweeping implications for the intelligence business. The first priority objectives of the US intelligence community under existing National Security Council directives are related to Soviet over-all politico-military strategy; to capabilities for nuclear attack on the US; to capabilities for defense against nuclear and missile attack; and to capabilities, intentions, and plans relating to

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the utilization and control of space. The difficulty is that relatively few economic intelligence officers have a realistic appreciation of the progress that has been made since World War II. Aside from casual newspaper and magazine reading, it must be admitted that the majority of our analysts have so far had no opportunity to learn of the nature of the new weapons systems and their implications with respect to military strategy and national security, nor of their impact on the industrial economies of the countries concerned. Many of us, doubtless as a by-product of the heavy security screen around the new developments, are not very far beyond V-J day in our thinking about military weapons, strategy, and indications.

This is a problem to which we must turn our full attention as a matter of urgency. While small and selected groups in the ERA have been exposed to systematic orientation and briefing in the fields of nuclear energy and missiles, this has been confined to those whose specialities are directly related to these fields. Much more needs to be done to provide analysts involved in research in practically all economic fields with at least a conceptual appreciation of the new developments. This appears particularly useful in the light of the enormous impact of the new atomic and military developments on the national economies of the Bloc countries. This is not a proposal to expand the number of people who now hold special clearances for Restricted Data. What is proposed rather would involve less of technical detail and more of the general knowledge of lower classification or even an unclassified nature of the type which is already being made available to the press by the Department of Defense.

Organization of systematic general orientation briefings for our analysts on the nature of the new "hardware," its military applications, and its influence on military strategy could probably best be done by appropriate sections of the Department of Defense. These could include oral presentations and films and perhaps be supported by selected assigned readings of recent publications in the field such as Gordon Dean's "Report on the Atom" and Henry A. Kissinger's "Nuclear Weapons and Foreign Policy."

As to the impact of the new advanced military programs on the economies of the countries participating in their development,

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there is no easy answer we can expect to obtain from outside. Appraisal of the impact is in fact a priority concern which is central to our own assigned mission. But progress on this task can be speeded by provision for familiarization of all our professionals through such briefings as suggested in the foregoing paragraph.

Industrial Orientation

Since many of our recruits who are destined for assignment to industrial or commodity branches come from the fields of economics and other social sciences, there is a need to insure that these people become familiar with industrial and technical problems and developments. We have found that it is not absolutely necessary for an analyst to have had technical training or experience in order to be successful in commodity research. Without such training or experience, however, he is obviously at a disadvantage and in need of help. An analyst assigned to economic research in the chemicals industry of the USSR, for example, should become thoroughly familiar with the structure of the industry, its production and investment problems, its input-output characteristics, and its terminology. Furthermore, rapid technological progress characterizes most important industries today, creating a need for a continuing effort to stay abreast of new developments in processes and products.

Some of the task of gaining -- and maintaining -- familiarity with industry at a level adequate for economic research and analysis can be accomplished by the analyst himself through on-the-job experience and through extensive supplementary reading of the trade journals and other technical publications. It is doubtful, however, that this will suffice. It would appear desirable to provide analysts assigned to industry and commodity branches with first-hand orientation in their various fields. It is obviously impracticable to arrange for this in respect of Communist Bloc industrial installations, but it probably would be feasible to arrange it through American counterparts of Bloc industry.

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In this connection, a number of the larger American companies have established junior and middle executive training courses for their own personnel, designed to provide broad orientation in the various phases of the particular industry, from research and development through production and distribution of end products. Such courses are designed to provide the student with an appreciation of process inter-relationships and with the over-all "feel" of the industry and its problems.

Participation in such training clearly would be profitable for those of our analysts who lack working experience in industry. One or two of our branches have already, on their own initiative, sent students for such training and report favorable results. The possibility of obtaining entree into additional selected courses can usefully be examined. Implementation of any such arrangements, of course, should be done in conjunction with the Agency's appropriate contact channels.

Job Orientation

In addition to supplementary training in the various substantive aspects of economic intelligence as discussed in the foregoing paragraphs, there remains a continuing need for indoctrination in the machinery and procedures of intelligence. Courses such as the Basic Intelligence Orientation Course, given to all new employees, and others dealing with research procedures, report writing, and the use of special sources and repositories are all useful and helpful in speeding the rapid adjustment of the analyst to his new job. In this respect, however, training within the Agency has already been extensively developed and appears to need little additional effort beyond normal maintenance. For more senior employees, training in supervisory and management concepts and techniques has been particularly rewarding. Here, too, the Agency is providing excellent short courses. Beyond this, advanced management training for selected senior key personnel at such facilities as the Harvard Graduate School of Business has also been useful.

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CONCLUSIONS

The production of economic intelligence requires a unique combination of knowledge and skills which does not come neatly packaged from the college campus or from experience in fields outside the intelligence profession. Regardless of previous training and experience, newcomers to economic intelligence therefore generally require additional training, sometimes in more than one field. Such training must be thought of as a long-term process, closely related to employee career development and available to experienced personnel as well as newcomers.

Since additional training must be gained after entering on the job, and since the job is a demanding one, it is important that such training be carefully planned to get the greatest return from a minimum time expenditure. It must focus on filling demonstrated needs, essential to the task of intelligence production. The program must be flexibly applied, since variety is the keynote both of assignment responsibilities within the over-all mission and of the knowledge and skills brought to the job by individuals. Individual guidance to analysts is essential in identifying priority needs for further training and should be included as an integral part of the career counseling function of the supervisory echelons of the organization. At the same time, individuals must recognize that responsibility rests ultimately with themselves, that the supervisors can do no more than help.

Ideally, each professional employee should be able to develop, in close collaboration with his immediate supervisors, a long-term program of training aimed at meeting identified needs relative to his present job and at preparing him for the acceptance of increased responsibilities in the future.